

## **Excise Tax on Gasoline**

### **Objective**

To ensure that refund requests for the federal excise tax paid on state motor vehicle and aviation fuels are filed promptly and accurately with the Internal Revenue Service (IRS).

### **Policy**

State agencies paying the federal excise tax on gasoline, gasohol and aviation fuels are allowed a refund from the IRS. Since Federal policy prohibits the state from filing more than one refund request per quarter, the Minnesota Management & Budget will file a quarterly refund report for all state agencies. To create the report using information in the Minnesota Accounting and Procurement System (MAPS), all agencies are required to enter the number of gallons of fuel purchased (rounded to the nearest whole gallon) in the "Qty" field on the Order Add/Maintain screen in the MAPS Procurement Component.

The IRS will not refund taxes paid on diesel fuel purchases. Diesel fuel should be purchased "tax not paid" as the vendor is the only one allowed to file a claim on these sales.

Finance will send the quarterly reports to agencies for review and possible corrections prior to forwarding them to the IRS. Errors in the number of gallons that are found after the payment has been sent should be noted so that the agency can make the appropriate correction when reviewing the quarterly report.

### **Forms**

[FI-00556 Quarterly Summary of Federal Excise Tax Paid on Gasoline, Gasohol and Aviation Fuel](#)

### **General Procedures**

<b>Step #</b>	<b>Actions to be Performed</b>	<b>Responsible Party</b>
1.	Prepare payments for gasoline and/or gasohol fuel purchases. If tax is charged on the fuel purchased, enter the number of gallons purchased in the "Qty" field on the Order Add/Maintain screen. Round the quantity to the nearest whole gallon.	Agency Accounting Unit

	If tax is not being paid on a fuel purchase, do not report the number of gallons purchased in the "Qty" field.	
2.	Process the vendor payment with a PVP transaction.	Agency Accounting Unit
3.	Run quarterly reports of motor vehicle fuel payments sorting by commodity code "tax paid."	Minnesota Management & Budget, File Maintenance
4.	Forward reports to agencies for review.	Minnesota Management & Budget, File Maintenance
5.	Complete Form FI-00556. Review report for corrections or additions. Send report to the Minnesota Management & Budget (address provided on the form).	Agency Accounting Staff
6.	Request refund check from the IRS and deposit it upon receipt.	Minnesota Management & Budget, File Maintenance

7.

Refer to the following list and use the correct commodity code.

<b>Description</b>	<b>Class</b>	<b>Sub</b>	<b>Commodity Code</b>	<b>Commodity Description</b>
Fuel, Gasoline, Unleaded	910	01	027299	Bulk Purchase, Fed Excise Tax Paid
Fuel, Gasoline, Unleaded	910	01	022424	Bulk Purchase, Fed Excise Tax Not Paid
Fuel, Gasoline, Unleaded	910	01	027301	Retail Purchase, Fed Excise Tax Paid
Fuel, Gasoline, Unleaded	910	01	027302	Retail Purchase, Fed Excise Tax Not Paid
Fuel- Gasohol	910	05	030351	7.7% Bulk, Fed Tax Paid
Fuel- Gasohol	910	05	030353	10% Bulk, Fed Tax Paid
Fuel- Gasohol	910	05	030355	7.7% Retail, Fed Tax Paid
Fuel- Gasohol	910	05	030357	10% Retail, Fed Tax Paid
Fuel- Gasohol 85	910	11	027291	Bulk Purchase, Fed Tax Paid
Fuel- Gasohol 85	910	11	027292	Bulk Purchase,

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& Budget,  
File  
Maintenance

				Fed Tax Not Paid
Fuel-Gasohol 85	910	11	027293	Retail Purchase, Fed Tax Paid
Fuel-Gasohol 85	910	11	027294	Retail Purchase, Fed Tax Not Paid
Fuel-Aviation	910	14	030540	Jet, Fed Excise Tax Paid
Fuel-Aviation	910	14	030542	Jet, Low lead, Fed Tax Paid

**See Also**

[MAPS Operating Policy and Procedure 0603-02 - Payment of State Vehicle Registration Fees and Excise Taxes](#)

[MAPS Operating Policy and Procedure 0807-01 - Local and State Sales Tax](#)